EMBAJADA DE CHILE
1732 MASSACHUSETTS AVENUE N.W.
WASHINGTON, D.C. 20036

Washington D.C. November 21, 2008

Mr. Bruce I. Knight
Under Secretary for Marketing and
Regulatory Programs
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Mr. James Murphy
Assistant United States Trade Representative
For Agricultural Affairs
600 17th Street N.W.
Washington, D.C. 20508

Dear Sirs,

I have the honor to acknowledge receipt of your letter of today's date, which reads as follows:

"I have the honor to confirm the following understanding reached between the Government of the United States of America ("United States") and the Government of the Republic of Chile ("Chile") (collectively "the Parties") with respect to trade in table grapes reached in the course of consultations under Article 3.17 of the United States-Chile Free Trade Agreement.

The United States agrees that, effective from April 10, 2009 through July 10, 2014, the beginning date of the regulatory period for the United States Department of Agriculture's Table Grape Import Regulation 4 shall not be earlier than April 10 of each year. As long as the beginning date of the regulatory period for Table Grape Import Regulation 4 is not earlier than April 10 of each year during the five-year three-month period identified above, Chile agrees not to pursue dispute settlement procedures in the World Trade Organization during that five-year three-month period with respect to matters related to the United States' minimum quality import requirements for table grapes.

The Parties note the agreement with respect to this matter achieved between representatives of the Desert Grape Growers League of California and Asociación de Exportadores de Chile.

I have the honor to propose that this letter, and your letter in reply, confirming that your Government shares this understanding, shall constitute an agreement between our two Governments that shall enter into force on the date of your letter in reply and shall remain in force through July 10, 2014".

I have the honor to confirm that my Government shares this understanding and that your letter, and this reply, shall constitute an agreement between our two Governments that shall enter into force on the date of this reply letter and shall remain in force through July 10, 2014.

Sincerely,

Mariano Fernández A.
Ambassador

November 21, 2008

His Excellency Mariano Fernandez
Ambassador of Republic of Chile
Washington, D.C.

Dear Mr. Ambassador,

I have the honor to confirm the following understanding reached between the Government of the United States of America ("United States") and the Government of the Republic of Chile ("Chile") (collectively "the Parties") with respect to trade in table grapes reached in the course of consultations under Article 3.17 of the United States-Chile Free Trade Agreement.

The United States agrees that, effective from April 10, 2009 through July 10, 2014, the beginning date of the regulatory period for the United States Department of Agriculture's Table Grape Import Regulation 4 shall not be earlier than April 10 of each year. As long as the beginning date of the regulatory period for Table Grape Import Regulation 4 is not earlier than April 10 of each year during the five-year three-month period identified above, Chile agrees not to pursue dispute settlement procedures in the World Trade Organization during that five-year, three-month period with respect to matters related to the United States' minimum quality import requirements for table grapes.

The Parties note the agreement with respect to this matter achieved between representatives of the Desert Grape Growers League of California and Asociación de Exportadores de Chile.

I have the honor to propose that this letter, and your letter in reply, confirming that your Government shares this understanding, shall constitute an agreement between our two Governments that shall enter into force on the date of your letter in reply and shall remain in force through July 10, 2014.

Sincerely,

The Honorable Bruce I. Knight
Under Secretary
For Marketing and Regulatory Programs
United States Department of Agriculture

Dr. James M. Murphy Jr.
Assistant United States Trade Representative
For Agricultural Affairs
Office of the United States Trade Representative